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1944 SUPPORT PRICES FOR KENTUCKY FARM PRODUCTS

The information contained in this bulletin has been assembled by the Kentucky State Office of the Office of Distribution, War Food Administration, for distribution to the farmers of Kentucky

To encourage needed production and at the same time assure growers fair returns for their products, the War Food Administration has announced support price programs for a number of agricultural commodities. Under date of March 4, 1944, Marvin Jones, Administrator, announced the 1944 schedules of support prices. The Office of Distribution is responsible for administering a portion of these programs. We are, therefore, interested in producers being fully informed as to the methods used as well as the conditions under which they may receive the benefits of price supports.

The statements made herein relative to price supports are confined to the products normally produced in commercial quantities in Kentucky.

In presenting these statements to the producers of Kentucky we should like to call special attention to the methods employed for each of the commodities mentioned, as well as the conditions under which the price supports are available.

HOG prices are supported indirectly through purchases made by the Government of Federally inspected pork products from packers at a price that enables the packer to pay to the producer not less than the support price for live animals. The procedure does not provide for the purchase by the Government of live animals direct from producer or otherwise. The support prices announced for hogs, now in effect for Kentucky and at terminal markets on which Kentucky hogs are normally sold, are as follows:

Louisville - - - -	\$13.70	St. Louis - - - -	\$13.70
Cincinnati - - - -	13.90	Nashville - - - -	13.50
Evansville - - - -	13.65	Knoxville - - - -	13.50
Henderson - - - -		\$13.45	

The support prices as announced for the state of Kentucky other than Louisville and Henderson are \$13.20 for Hancock, Ohio, Butler, Warren, Simpson and counties west; and \$13.40 for all counties east of those named. At the present time only hogs of good and choice quality (gilts and barrows) coming within a weight range of 180-270 pounds are subject to the support price order. Hogs of other grades and weights are not supported.

The fact that a price-support figure has been named for all counties of the state does not necessarily mean that the producer, in all cases, regardless of method of sale or to whom sale is made, shall receive a price equivalent to the announced support price. Only those persons, firms, or corporations who are licensed to slaughter under provisions of FDO-75 and who purchase hogs for slaughter are obligated under terms of FDO-75 to pay the support price.

Dealers, speculators, and other buyers not licensed under FDO-75 to slaughter hogs for the sale of meat are not, in any way, obligated to pay support prices. Therefore, support prices are actually available only at markets where licensed slaughterers make their purchases and not at just any point where the producer may elect to sell his animals to any buyer who may be available.

In view of the methods and conditions referred to above, producers should consider carefully prices being paid by dealers, speculators, order buyers, and others, when marketing their hogs, to determine whether or not the prices being paid at country points are equivalent to the support price to which they would be entitled, providing the sale was made to a slaughterer or delivered for sale at a terminal market where the larger licensed slaughterers normally make their purchases.

EGG prices are supported through direct purchases from producer cooperatives and commercial dealers who have agreed under price supporting contracts to pay to the producer not less than the announced support price, also through carload purchases direct from wholesale dealers as well as through purchases of dried eggs from dryers at prices that enable the processors to pay to the producer not less than the support price.

IRISH POTATOES are supported through direct purchases from producers, associations of producers, and certified dealers, provided potatoes are offered in carload lots, graded, inspected, bagged, and loaded on cars. They may also be purchased under price supporting contracts entered into with canners, dehydrators, and other processors who are so located that they can make direct purchases from producers. Under such contracts processors would be required to pay to the producer not less than the announced support price. When purchases are made by the Administration direct from producers, grading, assembling, bagging, inspecting, and loading on cars are conditions which shall

be met by the producer before the product is ready for purchase by the War Food Administration under price-support procedures.

CORN AND WHEAT are supported through non-recourse loans at a designated percentage of parity while TOBACCO, SOYBEANS, and SWEET POTATOES are supported through non-recourse loans and through purchases from dealers under terms of price-supporting contracts made with such dealers.

DAIRY PRODUCTS, that is, butter, cheese, and milk powder, are supported through purchases direct from processors or through the Dairy Products Marketing Association, acting as agent for the Administration.

It will be noted that a specific method for carrying out the program has been designated for every commodity for which a price support has been announced. We, therefore, recommend that producers study carefully both the method employed and all of the conditions under which these price supports are available and thus be prepared to use the method and meet the condition should the occasion arise to make use of price supports when marketing their products.

It is expected, of course, that producers shall make every effort possible to dispose of their products through regular trade channels so long as they can do so at prices equivalent to or better than the announced support prices. In the event commercial channels become glutted and dealers are unable or unwilling to pay to the producers prices equivalent to the support price then the War Food Administration stands ready to make price supports available through the methods and under the conditions designated.

Support program as announced by War Food Administrator, Marvin Jones, under date of March 4, 1944, for certain crops commonly produced in Kentucky are as follows:

HOGS

As previously announced, the War Food Administration will support, during the period ending March 31, 1945, designated prices for good to choice butcher hogs (barrows and gilts) of specified weights. For the Chicago, Illinois market the designated support prices for these grades of hogs, weighing 180 to 270 pounds, for the period ending September 30, 1944, is \$13.75 per cwt., and for the period October 1, 1944, through March 31, 1945, for hogs weighing 180 to 240 pounds \$12.50 per cwt. The support prices at other markets will be at such differentials from the Chicago market as are specified in Food Distribution Order No. 75.

MILK AND BUTTERFAT (DAIRY PRODUCTS)

During the period ending December 31, 1944, the War Food Administration will support returns to producers for milk and butterfat at levels of not less than 30 cents per hundred pounds for whole milk or 4 cents per pound for butterfat above the returns which will be reflected by the following prices for butter, cheese, and skim milk powder:

BUTTER, U. S. Grade A or 92 score, 46 cents a pound, Chicago Illinois, basis.

AMERICAN CHEDDAR CHEESE, U. S. Grade A or No. 1, 27 cents a pound, Plymouth, Wisc., basis.

SKIM MILK POWDER, U. S. Extra Grade, spray $14\frac{1}{2}$ cents and roller $12\frac{1}{2}$ cents a pound, f.o.b. midwest plant basis.

This support program will be carried out by the following operations:

BUTTER

Creamery butter will be purchased during the calendar year 1944 at prices equivalent to 46 cents a pound for U. S. Grade A or 92 score, Chicago, Illinois basis. Purchases at points other than Chicago will be at appropriate differentials from the Chicago price. Actual purchase prices will be the above less the amount of any subsidy paid to butter processors. The purchase program will be operated by means of open offers to purchase creamery butter offered in carlot quantities. Purchases will be made by the Administration direct or through the Dairy Products Marketing Association acting as agent for the Administration.

CHEESE

American cheddar cheese will be purchased during the calendar year 1944 at prices equivalent to 27 cents a pound for U. S. Grade A or No. 1 cheese, basis Plymouth, Wisconsin. Purchases at all places other than Plymouth will be at appropriate differentials from the Plymouth price. Actual purchase prices will be the above less the amount of any subsidy paid to the manufacturers of American cheddar cheese. The purchase program will be operated by means of open offers to purchase cheese offered in carlot quantities. Purchases will be made by the Administration direct or through the Dairy Products Marketing Association acting as agent for the Administration.

SKIM MILK POWDER

Skim milk powder of U. S. Extra Grade will be purchased during the calendar year 1944 at a price of $14\frac{1}{2}$ cents a pound for spray process and $12\frac{1}{2}$ cents a pound for roller process, f.o.b. midwestern plants, and in other areas at appropriate differentials from these prices. The purchase program will be operated by means of open offers by the Administration to purchase skim milk powder in carload lots.

OTHER MANUFACTURED DAIRY PRODUCTS

Other manufactured dairy products, including evaporated milk and whole milk powder, will be purchased from time to time during the calendar year 1944, to the extent necessary to meet lend-lease and similar requirements. Such purchases will be made by the Administration at prices comparable to those for butter, skim milk powder and cheese, but not to exceed ceiling prices established by the Office of Price Administration.

EGGS

During the period ending December 31, 1944, the War Food Administration will support prices to producers for eggs at 90 percent of the parity price, but in no event less than specified prices, which will be announced from time to time and which will reflect not less than a United States average farm price of 30 cents per dozen in the spring and early summer, and an annual average United States farm price of 34 cents per dozen.

Detailed announcement giving support price schedules for specified periods were released January 25 and February 29.

CHICKENS (EXCLUDING BROILERS AND CHICKENS WEIGHING LESS THAN THREE POUNDS LIVE WEIGHT) AND TURKEYS

During the period ending December 31, 1944, the War Food Administration will support prices to producers of chickens (excluding broilers and chickens weighing less than three pounds live weight) and turkeys at 90 percent of the parity prices, but in no event less than specified prices which will be announced at a later date. The methods of support will also be announced at that time.

WOOL

The War Food Administration will offer to purchase the 1944 domestic production of wool at the present support price (which is the current ceiling price less specified marketing costs.) The purchase prices will apply to wool delivered to a warehouse or a customary assembly point. It is contemplated that established wool dealers will act as purchasing agents for the Administration and that wool will be offered to mills at ceiling prices.

CORN

Non-recourse loans at 85 percent of the parity price as of October 1, 1944, will be made available to farmers on farm-stored corn grading No. 3 or better except for moisture content. Specific loan rates for different locations will be announced at a later date. The loans will be available from December 1, 1944, to June 30, 1945; and will mature on September 30, 1945, or earlier upon demand.

WHEAT

Non-recourse loans at 85 percent of the parity price as of July 1, 1944, will be made available to farmers on wheat stored on farms or in warehouses.

A specific schedule of loan rates, with differentials for location, grade, and quality, will be announced at a later date. The loans will be available until December 31, 1944 and will mature on April 30, 1945, or earlier upon demand.

The War Food Administration will also buy wheat at the loan rates from farmers who are unable to ship to their normal markets, provided local storage is not available and the Administration owns bins in which the purchased wheat may be stored.

SOYBEANS

Soybeans produced in 1944 will be supported at a price to farmers of \$2.04 per bushel for green and yellow soybeans grading No. 2 or better with 14 percent moisture content, delivered to country elevators or other normal producer delivery points. Premiums will be provided for lower moisture content and discounts for lower grades. Support prices will be 20 cents per bushel lower for brown, black mixed soybeans.

Non-recourse loans will be made available to farmers at the support prices. The loans will be available until January 31, 1945, and will mature on April 30, 1945, or earlier upon demand.

The War Food Administration will also offer to purchase soybeans at the support prices through terminal and other elevators and to enter into price supporting contracts with processors under which processors will agree to pay not less than the support prices for soybeans purchased by them, and the Administration will agree to make soybeans available for processing at prices based upon applicable ceilings.

BLACKEYE PEAS - SOUTHERN

During the period ending June 30, 1945, the War Food Administration will purchase 1944--crop blackeye peas produced in the Southern States which are offered for sale to the War Food Administration pursuant to procedures which it will announce. Purchases will be made in carload lots, cleaned and bagged, f.o.b. cars at country shipping points, at the following prices: U. S. No. 1 grade, \$5.75 per hundred pounds; U. S. No. 2 grade, \$5.60 per hundred pounds, U. S. No. 3 grade, \$5.35 per hundred pounds.

TOBACCO

Tobacco of the 1944 crop will be supported at prices to farmers equivalent to 90 percent of the parity price as of the beginning of the marketing year (July 1, 1944, for flue-cured tobacco and October 1, 1944, for other types). The War Food Administration will make non-recourse loans available to producers and cooperative associations at the support prices on tobacco stored in warehouses.

In addition, the Administration will purchase tobacco through dealers as required for governmental purposes.

IRISH POTATOES

Prices for early-and intermediate-crop potatoes, during the periods indicated in Schedule A, below, will be supported at the prices specified in these schedules or at prices equivalent thereto.

WFA officials state that plans to support these prices on 1944 crop potatoes place primary emphasis on holding to a minimum the volume of potatoes which WFA purchases. The methods to be employed and the extent of their use will depend largely on the size of the potato crop.

Plans for early, intermediate, and other non-storage potatoes include the following price-support methods:

(1) Insofar as practicable, contracts will be entered into with canners, dehydrators, and other processors who are so located that they can make direct purchases of potatoes in the producing areas. Such contracts will require that these processors pay producers prices equivalent to the basic prices and process the potatoes for delivery to WFA. Diversion payments also may be made at appropriate rates to divert potatoes to similar outlets.

(2) Potatoes may be purchased from growers, associations of growers, and certified dealers.

Such potatoes as WFA may acquire under the foregoing operations will be used to meet its wartime and other procurement needs, including public welfare distribution.

SCHEDULE A

Basic Prices, 1944 Crop Early and Intermediate Potatoes

NOTE: Basic prices shown below are per 100 pounds for U. S. No. 1 grade potatoes, in new bags, sacked and loaded f.o.b. carrier in carlots. Actual returns to producers from price-support operations will be below the basic prices if any local services included in such prices are not required by the price-support operations.

KENTUCKY	Price	Beginning dates of price supports	Duration of support period
	(dol. per cwt)	(Between)	(Days)
	*\$2.35 *	June 15 and July 5	25

*Basic prices shown are per 100 pounds, U. S. No. 1 grade potatoes, in new bags, sacked and loaded, f.o.b. carrier in carlots.

For 85 percent U. S. No. 1 quality, deduct 25 cents per 100 pounds.

For U. S. Commercial grade, deduct 40 cents per 100 pounds.

For U. S. No. 1 grade, size B, or U. S. No. 2 grade, deduct 50 percent of the applicable price for U. S. No. 1 grade.

As used in this schedule the U. S. Standard grades referred to are interpreted as describing potatoes which would be acceptable according to customary commercial practices and are not applicable to earloads especially packed so as barely to meet minimum grade requirements, by removal of the best quality or most desirable sizes.

"F.o.b. carrier at shipping point" means that the seller is responsible for placing potatoes sold on board a through carrier at point of shipment, in suitable shipping condition. By "suitable shipping condition" is meant a condition which, under normal transportation service and conditions, will assure delivery without abnormal deterioration at destination.

CURED SWEET POTATOES

During the period from December 1, 1944 to February 28, 1945, the War Food Administration will make loans available to producers, cooperative associations and dealers on cured sweet potatoes packed in standard crates, baskets or hampers, in lots of 1000 bushels or more, in approved storage warehouses, at the following rates per bushel: \$1.50 in December, \$1.65 in January, and \$1.75 in February. The loan rates for U. S. No. 2 sweet potatoes containing not less than 75 percent of U. S. No. 1 quality will be 15 cents per bushel less than the rates of U. S. No. 1.

The price support loans will be supplemented, if necessary, by Administration purchases in carload lots for relief purposes and by such other surplus diversion programs as may be practicable.

VEGETABLES FOR CANNING

Prices to growers for snap beans, sweet corn, green peas, tomatoes, beets, carrots, lima beans, and spinach grown in 1944 for canning will be supported by the War Food Administration, through price supporting contracts by canners who are certified by State Agricultural Conservation Committees as agreeing to contract with producers for at least the specified support levels for the raw products and by the acceptance of all offers of such canners to sell specified products to the Administration. The grower who contracts with a certified canner will have assurance of receiving the support prices. No provision is made for obtaining support prices in any other manner, and no obligation is made to support prices for uncontracted products at any level even though processors will be encouraged to use all vegetables grown, insofar as processing capacity and other factors permit.

The War Food Administration will accept all quantities of 1944 crop canned snap beans, sweet corn, green peas, beets, tomatoes, tomato juice, tomato pulp, tomato paste, carrots, lima beans, and spinach offered to it by certified canners at levels equivalent to 86-1/2 percent of the canners' gross civilian ceiling prices (approximately 90 percent of net civilian ceilings).

Appropriate adjustment in individual canners' support levels in relation to area averages and for grade differentials applicable to formula maximum priced items will be announced by the War Food Administration after Office of Price Administration ceilings are issued. Special styles and fancy

packs will be accepted at price levels applicable to ordinary commercial packs. The support level for certified canners who purchase raw material on the open market will be adjusted for any raw product costs below the support levels.

The offer to support the price of these processed foods will extend throughout the normal marketing season for each product. Packers may be required to store these commodities at their expense until 30 days after the expiration date of the offer in the event the War Food Administration does not have immediate use for the products. The offer to purchase, as a price supporting measure, the specified canned vegetables commodities will apply to all quantities offered that grade U. S. Standard or better. Offers will be accepted from original processors only.

The following schedule of prices to growers for 1944 by States and areas is on a field run basis and refers to all vegetables for processing, including both canning (which are supported under this program) and freezing. The detailed breakdown of prices by varieties, grades, and sizes according to utilization will be furnished to the State Agricultural Conservation Committees and processors at an early date. These prices are expressed in dollars per ton and unless otherwise indicated are for vegetables delivered to the processor's plant or major assembly point, whichever has been customarily used by growers and processors.

Snap Beans	(Kentucky)	\$80.00
Lima Beans	"	95.00
Sweet Corn	"	17.00
Tomatoes	"	24.00
Green Peas	"	86.00

(Prices include value of services rendered to the grower by the canner. Evaluation of services will be determined by the State Agricultural Conservation Committee. Breakdown of these average prices by varieties, grades, and for sizes will be established by the War Food Administration upon recommendations of State Agricultural Conservation Committees.)

FRESH VEGETABLES

The War Food Administration will extend assistance to fresh vegetable growers to the extent possible through (1) encouragement of movement through normal trade channels, (2) diversion of surplus fresh vegetables to processing channels, and (3) purchases of surplus fresh vegetables for distribution through Government channels. However, no support prices for 1944 crop vegetables grown for fresh market will be designated.

FRUITS FOR PROCESSING

In order to encourage the utilization of prospective 1944 fruit supplies in accordance with requirements for processing, the War Food Administration will support prices to producers and processors for peaches and pears for canning, and for the following dried fruits: apples, apricots, clingstone and freestone peaches, pears, prunes, raisins. Detailed announcements concerning these programs will be made prior to the beginning of the respective marketing season for these commodities.

HAY AND PASTURE SEEDS

Prices for specified kinds of hay and pasture seeds produced in 1944 will be supported by means of non-recourse loans to producers or purchases from producers. Support prices will apply to seeds which are cleaned, bagged, tagged, and delivered to a warehouse. The following price for each kind of seed included in the program is for seed that meets the maximum standards of purity and germination. Further details will be announced at a later date.

	<u>Cents Per Pound</u>	
	<u>Common Seed</u>	<u>Certified Seed</u>
Red Clover	28	34
Orchard grass	22	25
Kobe lespedeza	12	-
Tenn 76 lespedeza	20	-
Common lespedeza	20	-
Sericea lespedeza	16	-

AMERICAN HEMP

American hemp produced under contracts with the War Food Administration will be supported at \$30 to \$50 per ton for designated classes of hemp straw. It is expected that the total acreage planted will be about 60,000 acres as compared with 170,000 in 1943. Contracts will be entered into with growers providing for the planting of specified acreages. Producers will be supplied with seed and certain equipment and labor in connection with the harvesting of the crop; the cost of such seed, equipment and labor to be paid for by deduction from the purchase price of the hemp straw when delivered. The signing of contracts with producers will begin on February 1, 1944, but the harvesting and purchasing of hemp straw will begin about October 15, 1944.

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